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NEA/ARP FOR NATASHA FRANCESCHI, DEPT FOR USAID/ANE/MEA JWOOD

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TAGS: AID EAID ECON EFIN KMCA PREL YM

SUBJECT: EMBASSY FOLLOW-UP TO MCC SIGNING CEREMONY
POSTPONEMENT

REF: SANAA 09135

Classified By: Ambassador Stephen A. Seche, for reasons 1.4(b) and (d)

¶1. (C) SUMMARY: In an October 27 meeting with the Deputy Foreign Minister, the Ambassador emphasized that the ROYG's release of convicted terrorist Jamal al-Badawi had led the Millennium Challenge Corporation to postpone indefinitely the signing of the Threshold Country Plan (TCP) signing ceremony.

Two deputy Ministers of Planning and International Cooperation expressed their regret to the USAID Director that President Saleh's decision to release al-Badawi appeared to be insensitive to the families of the USS Cole victims. However, they expect a quick solution to this issue. END SUMMARY

¶2. (C) The morning after being notified that the Millennium Challenge Corporation had decided to postpone indefinitely the October 31 MCC Threshold Country Plan signing ceremony, the Ambassador and USAID Mission Director reached out to the ROYG. The Ambassador told ROYG Deputy Foreign Minister Mohi-Adeen al-Dhabbi that the MCC signing ceremony would be indefinitely postponed because the release of convicted terrorist al-Badawi (reftel) was so offensive that the U.S. Government was not able to sign a historically symbolic agreement with ROYG at this time. The Ambassador emphasized that until this situation is resolved and al-Badawi returned to prison, the U.S. Government will not be able to sign the MCC agreement. He warned al-Dhabbi that al-Badawi's release might even create obstacles to other avenues of bilateral cooperation.

¶3. (C) Al-Dhabbi promised to convey the Ambassador's message at the appropriate levels of the ROYG and to obtain a ROYG response as soon as possible. In addition, he said that he would relay the Ambassador's message to President Ali Abdullah Saleh, currently in Aden. The Ambassador said that he would be prepared to deliver the message to President Saleh himself.

¶4. (C) Also on October 27, the USAID Mission Director telephoned Deputy Minister of Planning and International Cooperation Hesham Abdullah in Aden and personally met Deputy MOPIC Minister for Projects and Programs Abdullah al-Shatter to inform them of the MCC's decision. (Note: MOPIC Minister al-Arhabi is en route to Yemen and out of contact. End Note.) Both deputy ministers expressed their "full understanding," noting the "bad timing" of President Saleh's decision to release al-Badawi a few days before the MCC signing ceremony, and added that they understood "the sensitivities of the American people about this issue." Abdullah opined that Saleh hadn't considered how the American people would react and said that Saleh's decision "requires clarification." Al-Shatter expressed that he understood that

President Saleh's decision was insensitive to the American people, particularly to the families of the USS Cole victims.

They expect a quick resolution to this issue and hope Yemen and the United States can soon proceed to the MCC TCP signing ceremony. Abdullah conveyed the USAID Director's message to Prime Minister Ali Mohammed Mujawar (who was seated in the room with him). According to Abdullah, the Prime Minister indicated that he fully understood the USAID Director's message.

¶5. (C) Presumably as a result of these conversations, at approximately 3:30 PM Sana'a time on October 27, President Saleh's interpreter informed the Ambassador that Saleh wished to telephone Presidential Advisor Frances Townsend.

¶6. (C) Comment: Ambassador received an informal readout of this phone call from Townsend deputy Juan Zarate, who said that Saleh had insisted that Badawi was released in order to gain his cooperation in bringing other extremists still at-large into custody, and that returning him to prison would thwart this effort. He also promised FBI and RAO access to Badawi, which we will insist upon during a scheduled meeting with PSO chief Garmish in the coming days. End Commment.

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